

AMENDED IN SENATE APRIL 9, 2003
AMENDED IN SENATE MARCH 25, 2003

SENATE BILL

No. 21

Introduced by Senator Machado

December 2, 2002

An act to add Sections 79505.5, 79522, 79532, 79533, 79534, 79535, 79540.1, 79541.1, 79542.1, 79543.1, 79544.1, 79544.2, 79547, 79555, 79560.5, 79562.5, 79564.1, 79564.5, 79568.5, and 79571.5 to the Water Code, relating to water.

LEGISLATIVE COUNSEL'S DIGEST

SB 21, as amended, Machado. Water: Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002.

The Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002, an initiative measure approved by the voters at the November 5, 2002, statewide general election, authorizes the state to issue general obligation bonds in the amount of \$3,440,000,000 for the purposes of the act.

This bill would require various state agencies, including the State Department of Health Services, the State Water Resources Control Board, and the Department of Water Resources, to ~~adopt regulations~~ *establish guidelines* for the purposes of implementing the act, and to convene and consult with a public advisory committee composed of certain representatives to assist each of those state agencies in carrying out that task. The bill would require each state agency to ~~submit a report to inform the Legislature that describes as to its regulations guidelines~~ and would authorize the allocation of bond funds subject to those respective ~~regulations~~ *guidelines* 60 days after the date on which the

state agency ~~submits its report to~~ *informs* the Legislature. The bill would require state agencies that are required to implement certain provisions of the act to ~~submit an annual report to inform~~ the Legislature ~~that identifies as to~~ each recipient of bond funds, the amount of each expenditure made during the previous fiscal year, and the amount of bond funds available for implementation of those respective provisions of the act.

The bill would require state agencies to award grants pursuant to certain provisions of the act on a competitive statewide basis and would require the State Department of Health Services to allocate certain grant money available to southern California water agencies on a competitive basis for projects to reduce Colorado River water use, including projects undertaken jointly with other entities.

The bill would declare the intent of the Legislature, of the funds made available for the purposes of desalination projects, to enact in subsequent legislation, to appropriate at least \$10,000,000 for feasibility studies. The bill would establish various other requirements relating to the implementation of the act.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. The Legislature finds and declares the
2 following:

3 (a) In order to protect the intent of the voters in approving the
4 Water Security, Clean Drinking Water, Coastal and Beach
5 Protection Act of 2002 (Division 26.5 (commencing with Section
6 79500) of the Water Code), it is necessary and desirable that that
7 act be implemented in as open and transparent manner as is
8 practicable.

9 (b) It is further necessary and desirable that the public be
10 directly involved in the ~~adoption of regulations~~ *development of*
11 *guidelines* governing project solicitation, criteria, and evaluation
12 to the maximum extent practicable.

13 (c) Funds made available by that act are limited relative to
14 apparent need. Therefore, both of the following implementing
15 measures are necessary and desirable:



(1) Expenditures, including expenditures for loans and grants, pursuant to that act should be made on a competitive basis and evaluated solely on merit and need.

(2) Projects that meet the needs of economically disadvantaged communities and projects that provide net environmental benefits should receive a preference in funding.

(d) To ensure that that act is implemented in accordance with the intent of the voters, it is necessary and desirable for agencies that implement that act to report annually on all of the following matter:

(1) ~~The regulations and procedures adopted~~ *guidelines and procedures developed* through a public advisory process.

(2) The geographic distribution of funds allocated pursuant to that act and the intended public benefit provided by those expenditures.

(3) The balance of funds available by that act for expenditures, including expenditures for loans and grants.

SEC. 2. Section 79505.5 is added to the Water Code, to read: 79505.5. As used in this division, the following terms shall have the following meanings:

(a) “Economically disadvantaged communities” means ____.

(b) “Matching funds” means funds made available by other than this division, donated services from nonstate sources, or both.

(c) “Net environmental benefits” means ____.

SEC. 3. Section 79522 is added to the Water Code, to read: 79522. (a) Funds made available pursuant to Section 79520 shall be appropriated to the State Department of Health Services for statewide competitive grants.

(b) The State Department of Health Services, at a minimum, shall convene and consult with a public advisory committee for the ~~purposes of adopting solicitation and evaluation regulations for~~ *purposes of developing solicitation and evaluation guidelines for* awarding grants under Section 79520.

(c) The public advisory committee shall be composed of representatives of interested federal, state, and local governmental agencies, regional water management groups and other regional resource planning groups, public and private water agencies, agricultural interest groups, environmental interest groups, public interest groups, and other interested parties.

1 (d) The public advisory committee shall provide advice and
2 comments to the State Department of Health Services on project
3 solicitation and evaluation, including, at a minimum, funding
4 priorities and criteria for evaluating grant proposals.

5 (e) Based on the advice and comments of the public advisory
6 committee, the State Department of Health Services shall ~~adopt~~
7 *develop* project solicitation and evaluation ~~regulations~~ *guidelines*.
8 The State Department of Health Services shall ~~submit a report to~~
9 *inform* the Legislature ~~that describes as to~~ the project solicitation
10 and evaluation ~~regulations adopted~~ *guidelines developed* under
11 this section.

12 (f) Funds for awarding grants under this section are available
13 for allocation 60 days after the date on which the State Department
14 of Health Services ~~submits its report to~~ *informs* the Legislature on
15 the project solicitation and evaluation ~~regulations~~ *guidelines*.

16 (g) Beginning January 1, 2005, the State Department of Health
17 Services shall ~~submit an annual report to~~ *inform* the Legislature
18 ~~that identifies as to~~ the recipient and the amount of each grant
19 awarded during the previous fiscal year under this chapter. The
20 ~~report information~~ shall include ~~information~~ *data* on the
21 geographic distribution of grants awarded under this chapter and
22 the intended public benefit those grants provide. The ~~report shall~~
23 ~~also include information~~ *information shall also include data* on the
24 balance of funds available under this chapter for grants in that
25 current fiscal year and future fiscal years.

26 SEC. 4. Section 79532 is added to the Water Code, to read:

27 79532. (a) Funds made available pursuant to subdivision (b)
28 of Section 79530 shall be administered in accordance with this
29 section.

30 (b) Grants shall be awarded on a competitive basis among
31 southern California water agencies.

32 (c) For the purposes of this chapter, “southern California water
33 agencies” means water agencies whose service area is entirely or
34 partly in one or more of the following counties: San Diego,
35 ~~imperial~~ *Imperial*, Riverside, Orange, Los Angeles, San
36 Bernardino, or ~~Imperial~~ *Ventura*.

37 (d) Grants may be awarded to southern California water
38 agencies for projects undertaken jointly by one or more southern
39 California water agencies and other entities.



(e) A project funded by a grant made pursuant to subdivision (b) of Section 79530 shall meet both of the following requirements:

(1) The project will assist the grantee to meet safe drinking water standards.

(2) The project will assist the grantee to meet the state's commitment to reduce Colorado River water use to 4.4 million acre-feet per year.

SEC. 5. Section 79533 is added to the Water Code, to read:

79533. (a) The State Department of Health Services, at a minimum, shall convene and consult with a public advisory committee for the purposes of ~~adopting~~ *developing* solicitation and evaluation ~~regulations~~ *guidelines* for awarding grants under subdivision (b) of Section 79530.

(b) The public advisory committee shall be composed of representatives of interested federal, state, and local governmental agencies, regional water management groups and other regional resource planning groups, public and private water agencies, agricultural interest groups, environmental interest groups, public interest groups, and other interested parties.

(c) The public advisory committee shall provide advice and comments to the State Department of Health Services on project solicitation and evaluation, including, at a minimum, funding priorities and criteria for evaluating grant proposals.

(d) Based on the advice and comments of the public advisory committee, the State Department of Health Services shall ~~adopt~~ *develop* project solicitation and evaluation ~~regulations~~. ~~The regulations guidelines. The guidelines~~ may include a requirement for matching funds, but only if the ~~regulations guidelines~~ also include a waiver process for economically disadvantaged communities. The ~~regulations guidelines~~ may also include a cap on the size of grants awarded pursuant to subdivision (b) of Section 79530. The ~~regulations guidelines~~ shall include a preference for grants to economically disadvantaged communities.

(e) The State Department of Health Services shall ~~submit a report to the Legislature that describes~~ *inform the Legislature as to* the project solicitation and evaluation ~~regulations adopted~~ *guidelines developed* under this section. Funds for awarding grants pursuant to subdivision (b) of Section 79530 are available for

1 allocation 60 days after the date on which the State Department of
2 Health Services ~~submits its report to~~ *informs* the Legislature.

3 SEC. 6. Section 79534 is added to the Water Code, to read:

4 79534. (a) Funds made available pursuant to paragraphs (1)
5 to (5), inclusive, of subdivision (a) of Section 79530, and not for
6 the purposes of subdivision (b) of that section, shall be
7 administered in accordance with this section.

8 (b) Grants shall be awarded on a statewide competitive basis.
9 A project that ~~receives~~ *is eligible for* funding for the purposes of
10 subdivision (b) of Section 79530 is not eligible for a grant subject
11 to this section.

12 (c) The State Department of Health Services, at a minimum,
13 shall convene and consult with a public advisory committee for the
14 purposes of ~~adopting solicitation and evaluation regulations~~
15 *developing solicitation and evaluation guidelines* for awarding
16 grants under this section.

17 (d) The public advisory committee shall be composed of
18 representatives of interested federal, state, and local governmental
19 agencies, regional water management groups and other regional
20 resource planning groups, public and private water agencies,
21 agricultural interest groups, environmental interest groups, public
22 interest groups, and other interested parties.

23 (e) The public advisory committee shall provide advice and
24 comments to the State Department of Health Services on project
25 solicitation and evaluation, including, at a minimum, funding
26 priorities and criteria for evaluating grant proposals.

27 (f) Based on the advice and comments of the public advisory
28 committee, the State Department of Health Services shall ~~adopt~~
29 *develop* project solicitation and evaluation ~~regulations. The~~
30 ~~regulations~~ *guidelines*. *The guidelines* may include a requirement
31 for matching funds, but only if the guidelines also include a waiver
32 process for economically disadvantaged communities. The
33 ~~regulations~~ *guidelines* may also include a cap on the size of grants
34 awarded pursuant to this section. The ~~regulations~~ *guidelines* shall
35 include a preference for grants to economically disadvantaged
36 communities.

37 ~~(4) The State Department of Health Services shall submit a~~
38 ~~report to the Legislature that describes the project solicitation and~~

39 (g) *The State Department of Health Services shall inform the*
40 *Legislature as to the project solicitation and evaluation*

~~regulations adopted~~ *guidelines developed* under this section.
Funds for awarding grants subject to this section are available for
allocation 60 days after the date on which the State Department of
Health Services ~~submits its report to~~ *informs* the Legislature.

SEC. 7. Section 79535 is added to the Water Code, to read:

79535. Beginning January 1, 2005, the State Department of
Health Services shall ~~submit an annual report to~~ *inform* the
Legislature ~~that identifies as to~~ the recipient and the amount of
each grant awarded during the previous fiscal year under this
chapter. The ~~report information~~ shall include ~~information~~ *data* on
the geographic distribution of grants awarded under this chapter
and the intended public benefit those grants provide. The ~~report~~
~~shall also include information~~ *information shall also include data*
on the balance of funds available under this chapter for grants in
that current fiscal year and future fiscal years.

SEC. 8. Section 79540.1 is added to the Water Code, to read:

79540.1. (a) Funds made available pursuant to 79540 shall be
administered in accordance with this section.

(b) Grants shall be awarded on a statewide competitive basis.

(c) The board, at a minimum, shall convene and consult with
a public advisory committee for the purposes of ~~adopting~~
developing solicitation and evaluation ~~regulations~~ *guidelines* for
awarding grants under this section.

(d) The public advisory committee shall be composed of
representatives of interested federal, state, and local governmental
agencies, regional water management groups and other regional
resource planning groups, public and private water agencies,
agricultural interest groups, environmental interest groups, public
interest groups, and other interested parties.

(e) The public advisory committee shall provide advice and
comments to the board on project solicitation and evaluation,
including, at a minimum, funding priorities and criteria for
evaluating grant proposals.

(f) Based on the advice and comments of the public advisory
committee, the board shall ~~adopt~~ *develop* project solicitation and
evaluation ~~regulations~~. ~~The regulations~~ *guidelines*. *The guidelines*
may include a requirement for matching funds, but only if the
~~regulations~~ *guidelines* also include a waiver process for
economically disadvantaged communities. The ~~regulations~~
guidelines may also include a cap on the size of grants awarded

1 pursuant to this section. The ~~regulations~~ *guidelines* shall include
2 a preference for grants to economically disadvantaged
3 communities.

4 (g) The board shall ~~submit a report to inform~~ the Legislature the
5 project solicitation and evaluation ~~regulations adopted~~ *guidelines*
6 *developed* under this section. Funds for awarding grants pursuant
7 to Section 79540 are available for allocation 60 days after the date
8 on which the board ~~submits its report to inform~~ the Legislature.

9 (h) Beginning January 1, 2005, the board shall ~~submit an~~
10 ~~annual report to the Legislature that identifies~~ *inform the*
11 *Legislature as to* the recipient and the amount of each grant
12 awarded the previous fiscal year pursuant to Section 79540. The
13 ~~report shall include information~~ *information shall include data* on
14 the geographic distribution of grants awarded under Section 79540
15 and the intended public benefit those grants provide. The ~~report~~
16 ~~shall also include information~~ *information shall also include data*
17 on the balance of funds available under Section 79540 for grants
18 in that current fiscal year and future fiscal years.

19 SEC. 9. Section 79541.1 is added to the Water Code, to read:

20 79541.1. Beginning January 1, 2005, the secretary shall
21 ~~submit an annual report to the Legislature that identifies the~~ *inform*
22 *the Legislature as to* the recipient and the amount of each
23 expenditure, loan, or grant awarded during the previous fiscal year
24 pursuant to Section 79541. The ~~report shall include information~~
25 *information shall include data* on the geographic distribution of
26 those expenditures, loans, or grants awarded under Section 79541
27 and the intended public benefit those expenditures, loans, or grants
28 provide. The ~~report shall also include information~~ *information*
29 *shall also include data* on the balance of funds available under
30 Section 79541 for expenditures, loans, or grants in that current
31 fiscal year and future fiscal years.

32 SEC. 10. Section 79542.1 is added to the Water Code, to read:

33 79542.1. Beginning January 1, 2005, the California Tahoe
34 ~~Conservancy shall submit an annual report to the Legislature that~~
35 ~~identifies~~ *Conservancy shall inform the Legislature as to* the seller
36 and the amount of each expenditure made during the previous
37 fiscal year pursuant to Section 79542. The ~~report shall include~~
38 ~~information~~ *information shall include data* on the geographic
39 distribution of expenditures under Section 79542 and the intended
40 public benefit those expenditures provide. The ~~report shall also~~

~~include information~~ *information shall also include data* on the balance of funds available under Section 79542 for expenditures in that current fiscal year and future fiscal years.

SEC. 11. Section 79543.1 is added to the Water Code, to read:

79543.1. Beginning January 1, 2005, the board shall ~~submit an annual report to the Legislature that identifies the recipient and~~ *inform the Legislature as to the recipient and* the amount of each expenditure, grant, and loan made during the previous fiscal year pursuant to Section 79543. ~~The report shall include information~~ *information shall include data* on the geographic distribution of expenditures, grants, and loans awarded under Section 79543 and the intended public benefit those expenditures, grants, and loans provide. ~~The report shall also include information~~ *information shall also include data* on the balance of funds available under Section 79543 for expenditures, grants, and loans in that current fiscal year and future fiscal years.

SEC. 12. Section 79544.1 is added to the Water Code, to read:

79544.1. The secretary shall require all prospective grantees for land and water acquisitions pursuant to Section 79544 to include in the grant application a proposal for the long-term management of the resource proposed to be acquired. The proposal shall identify the agency or organization that will hold title to the resource, including any state or federal agency to which title may be transferred after acquisition, and the agency or organization that will be responsible for managing and protecting the water quality values of the resource.

SEC. 13. Section 79544.2 is added to the Water Code, to read:

79544.2. Beginning January 1, 2005, the secretary shall ~~submit an annual report to the Legislature that identifies the~~ *inform the Legislature as to the* recipient and the amount of each acquisition funded during the previous fiscal year pursuant to Section 79544. ~~The report shall include information~~ *information shall include data* on the geographic distribution of acquisitions funded under Section 79544 and the intended public benefit those acquisitions provide. ~~The report shall also include information~~ *information shall also include data* on the balance of funds available under Section 79544 for acquisitions in that current fiscal year and future fiscal years.

SEC. 14. Section 79547 is added to the Water Code, to read:

1 79547. (a) Funds made available pursuant to Section 79545
2 shall be administered in accordance with this section.

3 (b) Grants shall be awarded on a statewide competitive basis.

4 (c) The department, at a minimum, shall convene and consult
5 with a public advisory committee for the purposes of ~~adopting~~
6 *developing* solicitation and evaluation ~~regulations~~ *guidelines* for
7 awarding grants under this chapter.

8 (d) The public advisory committee shall be composed of
9 representatives of interested federal, state, and local governmental
10 agencies, regional water management groups and other regional
11 resource planning groups, public and private water agencies,
12 agricultural interest groups, environmental interest groups, public
13 interest groups, and other interested parties.

14 (e) The public advisory committee shall provide advice and
15 comments to the department on project solicitation and evaluation,
16 including, at a minimum, funding priorities and criteria for
17 evaluating grant proposals.

18 (f) Based on the advice and comments of the public advisory
19 committee, the board shall ~~adopt~~ *develop* project solicitation and
20 evaluation ~~regulations~~. ~~The regulations~~ *guidelines*. *The guidelines*
21 may also include a cap on the size of grants awarded pursuant to
22 this chapter. ~~The regulations~~ *guidelines* shall include a preference
23 for projects that provide a net environmental benefit.

24 ~~(g) The department shall submit a report to the Legislature that~~
25 ~~describes the project solicitation and evaluation regulations~~
26 ~~adopted~~

27 *(g) The department shall inform the Legislature as to the*
28 *project solicitation and evaluation guidelines developed* pursuant
29 to this section. Funds for awarding grants pursuant to Section
30 79545 are available for allocation 60 days after the date on which
31 the department ~~submits its report to~~ *informs* the Legislature.

32 (h) The department may not delay convening the public
33 advisory committee pursuant to subdivision (c) for the purposes of
34 receiving the report prepared pursuant to Section 12949.6.

35 (i) Beginning January 1, 2005, the department shall ~~submit a~~
36 ~~report to the Legislature that identifies~~ *inform the Legislature as*
37 *to* the recipient and the amount of each grant awarded during the
38 previous fiscal year under this chapter. ~~The report shall include~~
39 ~~information~~ *information shall include data* on the geographic
40 distribution of grants awarded under this chapter and the intended

1 public and environmental benefit those grants provide. The ~~report~~
2 ~~shall also include information~~ *information shall also include data*
3 on the balance of funds available under this chapter for grants in
4 that current fiscal year and future fiscal years.

5 (j) Of the funds made available for the purposes of subdivision
6 (a) of Section 79545, it is the intent of the Legislature to enact
7 subsequent legislation to appropriate at least ten million dollars
8 (\$10,000,000) for feasibility studies.

9 SEC. 15. Section 79555 is added to the Water Code, to read:
10 79555. The Legislature finds and declares all of the
11 following:

12 (a) According to the Environmental Water Account Operating
13 Principles Agreement, the environmental water account will
14 expire on September 30, 2004, unless extended by written
15 agreement among the management agencies and project agencies.

16 (b) The Environmental Water Account Operating Principles
17 Agreement also state that before the environmental water account
18 expires, the management agencies and project agencies will assess
19 the success of environmental water account operations and
20 analyze the potential impacts from new facilities and expanded
21 conveyance capacity. The agencies will then determine the
22 appropriate size and composition of an environmental water
23 account, as well as the environmental water account's sharing in
24 the benefits from new facilities, in the fifth and future years.

25 (c) If the Environmental Water Account is extended, it is the
26 intent of the Legislature to enact subsequent legislation requiring
27 that not less than 50 percent of the funds made available pursuant
28 to subdivision (d) of Section 79550 for acquisition of water for the
29 CALFED environmental water account be expended for
30 long-term water purchase contracts and water rights.

31 SEC. 16. Section 79560.5 is added to the Water Code, to read:

32 79560.5. The department and the board ~~may~~ *shall* develop a
33 joint process for soliciting and reviewing proposals for grants
34 pursuant to Section 79560 to reduce the complexity and confusion
35 of the grant application process and to encourage greater
36 coordination and collaboration in funding between state agencies
37 and programs.

38 SEC. 17. Section 79562.5 is added to the Water Code, to read:

1 79562.5. (a) Funds made available pursuant to Section
2 79560 shall be administered by the department and the board in
3 accordance with this section.

4 (b) Grants shall be awarded on a statewide competitive basis.

5 (c) The department and the board, at a minimum, shall convene
6 and consult with a public advisory committee for the purposes of
7 ~~adopting solicitation and evaluation regulations~~ *developing*
8 *solicitation and evaluation guidelines* for awarding grants under
9 this chapter.

10 (d) The public advisory committee shall be composed of
11 representatives of interested federal, state, and local governmental
12 agencies, regional water management groups and other regional
13 resource planning groups, public and private water agencies,
14 agricultural interest groups, environmental interest groups, public
15 interest groups, and other interested parties.

16 (e) The public advisory committee shall provide advice and
17 comments to the department and the board on project solicitation
18 and evaluation, including, at a minimum, funding priorities and
19 criteria for evaluating grant proposals.

20 (f) Based on the advice and comments of the public advisory
21 committee, the department and the board shall ~~adopt~~ *develop*
22 project solicitation and evaluation ~~regulations~~. ~~The regulations~~
23 *guidelines*. *The guidelines* may include a provision that authorizes
24 the department and the board to consider whether or not a project
25 benefits an economically disadvantaged community for the
26 purposes of imposing requirements relating to matching funds.
27 ~~The regulations~~ *guidelines* shall include a preference for projects
28 that provide a net environmental benefit.

29 (g) The department and the board shall ~~submit a report to~~
30 *inform* the Legislature ~~that describes as to~~ the project solicitation
31 and evaluation ~~regulations~~ *established guidelines developed* under
32 this section. Funds for awarding grants pursuant to Section 79560
33 are available for allocation 60 days after the date on which the
34 department and the board ~~submit their report to~~ *inform* the
35 Legislature.

36 (h) Beginning January 1, 2005, the department and the board
37 shall each ~~submit an annual report to the Legislature that identifies~~
38 *inform the Legislature as to* the recipient and the amount of each
39 grant awarded during the previous fiscal year under this chapter.
40 ~~The reports shall include information~~ *information shall include*

1 *data* on the geographic distribution of grants awarded under this
2 chapter and the intended public and environmental benefit those
3 grants provide. ~~The reports shall also include information~~
4 *information shall also include data* on the balance of funds
5 available under this chapter for grants in that current fiscal year
6 and future fiscal years.

7 SEC. 18. Section 79564.1 is added to the Water Code, to read:

8 79564.1. (a) Of the funds made available by Section 79560,
9 not less than 40 percent shall be available for projects in northern
10 California and not less than 40 percent be available for projects in
11 southern California to the maximum extent possible, subject to a
12 determination by the administering agency that each project meets
13 all of the requirements of this chapter.

14 (b) For the purposes of this section, “southern California”
15 means the Counties of San Diego, Imperial, Riverside, Orange,
16 Los Angeles, San Bernardino, and ~~Imperial~~ *Ventura*.

17 (c) For the purposes of this section, “northern California”
18 means all California counties except those identified in
19 subdivision (b).

20 SEC. 19. Section 79564.5 is added to the Water Code, to read:

21 79564.5. To be eligible for financing by the department
22 pursuant to Section 79560.1, a project shall be consistent with an
23 adopted integrated regional water management plan as described
24 in subdivision (a) of Section 79564.

25 SEC. 20. Section 79568.5 is added to the Water Code, to read:

26 79568.5. It is the intent of the Legislature in subsequent
27 legislation to allocate fifty million dollars (\$50,000,000) from
28 funds available pursuant to Section 79568 as a minimum state
29 contribution or matching contribution for federal funds or funds
30 obtained from other sources, to assist in the implementation of the
31 preferred alternative or other related restoration activities,
32 including the program referred to in paragraph (3) of subdivision
33 (d) of Section 2081.7 of the Fish and Game Code, at the Salton Sea
34 or the lower Colorado River, or to assist in the development of a
35 natural community conservation plan that is consistent with the
36 initiative and that is implemented to effectuate the Quantification
37 Settlement Agreement.

38 SEC. 21. Section 79571.5 is added to the Water Code, to read:

39 79571.5. Beginning January 1, 2005, each state agency
40 expending funds pursuant to this chapter shall ~~submit an annual~~

1 ~~report to the Legislature that identifies~~ *inform the Legislature as*
2 *to the recipient and the amount of each expenditure or grant made*
3 *during the previous fiscal year under this chapter. The report shall*
4 ~~include information~~ *information shall include data* on the
5 geographic distribution of expenditures and grants made under
6 this chapter and the intended public and environmental benefit that
7 those expenditures and grants provide. The ~~report shall also~~
8 ~~include information~~ *information shall also include data* on the
9 balance of funds available under this chapter for expenditures and
10 grants in that current fiscal year and future fiscal years.

